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Railway Rates and the Canadian Railway Commission. By D. A. MACGIBBON, PH.D. Boston and New York: Houghton Mifflin Co., 1917. Pp. xv+257.

Dr. MacGibbon's volume in the Hart, Schaffner & Marx series fills a decided gap in the literature of railway regulation. Conditions in Canada and the United States are so interdependent that neither can be adequately handled in isolation from the other, and a study of Canadian conditions is essential to a full view of American transportation problems. A reading of this book will strengthen the conviction that our past experience in control should be viewed as a tentative, formative stage of development, in which we have had an opportunity to clarify our views and to see what the demands of the problem are, but under limitations which have prevented the development of such a comprehensive, thoroughgoing, and adequate policy as the future will demand. Precedents should therefore be looked upon as valuable lessons rather than as rules for future procedure or bars preventing a future change of course. In the case of Canada this is due to several causes.

In the first place, the Canadian railway systems, with the exception of the Canadian Pacific, have not reached maturity but are still in the stage of

straining their resources, with the formal approval of Parliament, to realize ambitious schemes. Not until the Grand Trunk Pacific and Canadian Northern have completed their transcontinental lines and normalized their expenditures and revenues can the full competitive and Eastern vs. Western rates problems be accurately appraised and reach a final disposition. Indeed, since the outbreak of the war in 1914, the weaker roads have become so enmeshed in difficulties that it is almost certain a radical Parliamentary solution of the whole problem will have to be sought.

In the second place, Canadian rates are controlled by water competition far more completely than are those of the United States, and if control should be extended to water rates the entire situation would be revolutionized.

In the third place, the competition of routes passing through the United States and of producers shipping from United States territory plays a far larger part in the Canadian problem than the corresponding Canadian competition plays in the problems faced by our Interstate Commerce Commission. This situation creates a twilight zone which demands international action for its proper disposition, and until such co-operation is established the Canadian Board is not free to treat rate questions on their economic merits.

With these qualifications the development of the principles of rate control seems to have been very similar in the two countries, and the Canadian Board (created later than our own) has found it possible to cite many precedents from this side of the border for its views of the merits of the cases before it. The development of principles has come through settling particular cases as they arose, and it appears that the smaller grist of cases in Canada, together with the limitations already mentioned, has meant a less complete working out of principles. In the matter of the level of earnings the importance of valuation is clearly recognized, but deficits have been so large that it has been possible to settle cases without committing the Board to particular rules of valuation.

The first part of the book describes the development of the waterway and railway systems of Canada, the general policy of government, and the machinery of public control, thus establishing the environment within which the Board of Railway Commissioners has worked out the rate rulings which are analyzed in the second part. One could wish that the law under which this Board acts had been presented more fully and explicitly, especially as the author later refers to it as limiting the scope of the Board's decisions.

The author takes fundamental rate theories for granted as having "been adequately enough explored" by other writers, and his own study merely shows them at work; the "value-of-commodity" principle, itself sadly in need of probing and analysis, is apparently taken as one of the fundamental theories. In style the book leaves something to be desired, but it will be a welcome addition to the literature of the subject.

J. M. CLARK

British Railways: Their Development and Their Relation to the State. By

EDWARD CLEVELAND-STEVENS, M.A. London: George Routledge & Sons, Limited; N.Y.: E. P. Dutton & Co., 1915. Pp. xvi+332.

Mr. Cleveland-Stevens' book, which is also a doctor's thesis of the University of London, undertakes to make a scientific study of the course of railway amalgamation in Great Britain up to the year 1900, utilizing the material in the Acworth Transport Collection at the London School of Economics. It is a careful study, well written and remarkably compact. The author notes the difficulty of giving statistical expression to the growth of amalgamation because of the varying import of different forms of control, and because neither capital nor mileage is an adequate measure of the importance of different combinations. He therefore concludes that maps are the best resource.